



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Deputy Secretary

HOUSE BILL 559 State Employees - Four-Day Workweek - Implementation

STATEMENT OF OPPOSITION

DATE: February 27, 2024

COMMITTEE: Appropriations

SUMMARY OF BILL: House Bill 559 requires the Department of Budget and Management (DBM) to identify units or functions of State government for which a transition to a 4-day workweek is feasible for 60% of State employees. The bill further requires DBM to negotiate these changes with State employee unions and to implement a 4-day workweek for identified State employees by October 1, 2027. House Bill 559 stipulates that work hours cannot be reduced to less than 36 hours per week, nor can State employees receive a reduction in pay due to the reduction in hours.

EXPLANATION: House Bill 559 requires DBM to study, negotiate and implement a significant transition in employees' work hours, salaries, and benefits by October 1, 2027. The bill would require DBM to identify units or functions of State government for which a 4-day workweek is beneficial for at least 60% of State employees, or approximately 30,000 employees across the State Personnel Management System and Maryland Department of Transportation. A review of this magnitude would place considerable burdens on DBM's Office of Personnel Services and Benefits, which would likely need to conduct the review in-house. The bill further requires DBM to implement a 4-day workweek by October 1, 2027 after engaging in negotiations with State employees' exclusive bargaining representatives.

DBM agrees that management should negotiate changes to work schedules with State employees' exclusive bargaining representatives, and our view is that the impetus for these changes should come from proposals from agency leadership and/or from the exclusive bargaining representatives (for roles that are covered by collective bargaining) for use cases where there is a clear business case for the compressed workweek. We have examples in State government today where alternative schedules have been negotiated in cases where the schedule both aligns with the agency's operational needs and supports employee recruitment and retention. However, even in these cases, implementation can be very complicated. DBM feels setting a deadline to implement a significant shift in State employees' work schedules puts undue pressure on the process. DBM prefers to work collaboratively with State agency leadership and State employees' unions to identify positions and/or organizational units where a 4-day workweek makes strong business sense.

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DBM also has concerns about the impact a shift to a 4-day workweek for a significant portion of the State workforce would have on overtime costs, staffing coverage/customer service, leave accrual and pension benefits. We understand that in 1991 the State shifted employees from a 35.5 hour work week to a 40 hour work week due to budget constraints. DBM does not support a policy decision to move forward with a shift to 4-day workweek until more is known about the cost implications and other implications and how we will manage them.

POSITION: OPPOSE. DBM opposes this legislation and prefers instead to work collaboratively with agency leadership and exclusive bargaining representatives to identify areas where there is a strong case to consider a compressed workweek then negotiate the desired changes to employees' work hours, salaries, and benefits. Management and State employees' exclusive bargaining representatives should negotiate any changes desired to employees' work hours, salaries, and benefits. DBM would be open to an amendment that would strike the current requirements in the bill and instead ask DBM to conduct a study evaluating the feasibility of a 4-day work week. DBM would need to evaluate the impact of a reduced workweek on overtime costs, staffing and coverage, pension and other benefits.

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